



NATURAL RESOURCES DEFENSE COUNCIL

Senator John Fonfara and Representative Vickie Nardello
Energy and Technology Committee
Room 3900, Legislative Office Building
Hartford, CT 06106

March 14, 2012

Dear Senator Fonfara and Representative Nardello,

On behalf of the Natural Resources Defense Council and our 24,335 members and online activists in the state of Connecticut, we would like to voice our strong support for SB 415 and the creation of a commercial Property Assessed Clean Energy (PACE) program to facilitate energy improvements in Connecticut. Our members care deeply about innovative clean energy financing programs and the significant benefits they will bring to our states and communities nationwide.

Energy efficiency improvements are one of the cheapest, easiest ways to limit power plant pollution and reduce our dependence on coal and other fossil fuels, while saving businesses money. Renewable energy upgrade also can help prevent pollution that harms our health and environment and give property owners more reliable clean energy options. Commercial PACE programs are already up and running in several jurisdictions around the country, providing an essential source of financing for these energy efficiency and renewable energy improvements, and creating much-needed local jobs in the process. Importantly, PACE can provide these benefits with minimal risk to existing mortgage lenders. In fact, early data from active programs indicates that PACE actually reduces existing lenders' default risk--out of more than 2,500 properties with active PACE liens, the number of existing lender defaults is far lower than the average mortgage default rate in those jurisdictions would predict.

PACE financing boosts local economic growth and creates local jobs. According to a recent independent study, \$4 million of total PACE-financed energy project spending, spread evenly across four cities, would generate: \$10 million in gross economic output; \$1 million in combined Federal, State and Local tax revenue; and 60 jobs.¹ Moreover, a substantial portion of the jobs created would be in the struggling construction sector. In the span of only one year, Boulder, Colorado's PACE program created over 120 jobs, generated more than \$20 million in overall economic activity, and reduced consumers' energy costs by more than \$125,000.

¹ ECONorthwest, Economic Impact Analysis of Property Assessed Clean Energy Programs (PACE), April 2011, available at <http://pacenow.org/blog/wp-content/uploads/PACE-Econometric-Study-by-ECONorthwest-for-PACENow-5-4-11.pdf>, (accessed on February 28, 2012).



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Because of PACE's uniquely positive role in creating jobs, spurring local economic development, giving property owners and our communities more control over their energy costs, and protecting our public health and environment, the Connecticut legislature should take action to approve SB 415 and allow a statewide commercial PACE program to begin delivering results for Connecticut's business owners and construction trades, while benefitting the State's broader economy and environment.

Sincerely,

Greg Hale
Senior Project Finance Specialist
Natural Resources Defense Council